

*Borrowing Authority Act*

million actually went to Indian and native projects in the country—only \$9 million.

In the next fiscal year there is supposed to be some \$57 million allocated. We do not know how much of that amount will be spent for administration and overhead. We do not know how much will actually go to Indian people and native development projects. We simply do not know. However, I wish to tell Hon. Members that in speaking to this borrowing authority measure the people of Canada should know that we are doing a terribly poor job in getting economic development for Indian and native people off the ground. They want it to work. We should want it to work because this welfare syndrome is destroying their heart, soul and mind. We need something better. We had better face up to that quickly and move ahead.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, the Government has before us today a proposal to borrow some \$22.6 billion. That is an enormous sum of money to be asking the House of Commons to approve for borrowing purposes. By implication the Government is asking for an approval of its budgetary and economic policies. It is as a result of its economic policies that it is forced to come before us today asking for authority to borrow some \$22.6 billion.

I would like to ask Hon. Members to consider the Government's economic policy, particularly the policy as outlined in the Budget brought down just a few weeks ago. Consideration of the matter will give us an indication of whether or not the authority which it is seeking today should receive approval, or that this request should be turned back to the Government calling upon it to re-examine its economic and budgetary policies.

The last Budget raised the taxes of the average Canadian family by about \$350 a year. This is on top of the previous increases in taxes which the Government imposed in its last two budgetary measures. This is also on top of \$1,000 a year in additional taxes which families were hit with in 1985. The total comes to \$1,350 a year of additional taxes, just since the Government came to office in 1984.

How do ordinary Canadians view this increase in taxes? The Government asks us to take the perspective that this is the price which has to be paid, that the Liberals created a large deficit and the Conservatives will pay it down. Thus ordinary Canadians will simply have to pay through the nose in order to get the deficit down. If ordinary Canadians are being asked to pay we have to ask who else is paying the burden with respect to the deficit. Who else has the Government chosen to pay for this burdensome deficit?

What we find is that taxes imposed on individual Canadians are increasing four times faster than those imposed on corporations. The last Budget actually imposed measures to lower the tax rate of corporations. As a result of the economic, taxation and borrowing policies of the Government taxes for individual Canadians are rising four times faster than those of corporations in this year alone. This means that individual Canadians will be asked to pay \$1.1 billion more compared to the \$380 million which the corporations are being asked to

pay. How can the Government present such a policy expecting approval when it is asking individuals to pay four times as much as that paid by corporations? How can the Government justify such a move?

An increase four times greater sounds pretty bad. However, if we look into the future we will find that by the year 1990 the Government will be taxing individuals ten times as much as it taxes corporations. This is to say that individuals will be paying an additional burden of some \$2.9 billion. That is almost \$3 billion, whereas corporations will be asked to pay an increase of just \$295 million.

We must fundamentally question the economic policy the Government has put before the House. We have to question the Government's temerity in coming before us today asking for authority to borrow some \$22.6 billion, particularly in light of the fact that it lowered the corporate tax rate in its last Budget. In one breath it has asked to borrow billions of dollars and lower the tax burden on corporations.

**Some Hon. Members:** Shame!

**Mr. Keeper:** Yes, Mr. Speaker, it is a shame. It is simply unfair.

In the most recent Budget the Government continued the capital gains write-off measure whereby if the capital an individual owns increases in value up to \$500,000 that individual does not have to pay any tax on it. This capital gains write-off has been continued in the latest Budget. How can the Government advocate a tax write-off for wealthy Canadians while at the same time it hits ordinary Canadians with a tax increase of \$350 per year and is asking ordinary Canadians to support and approve its borrowing of some \$22.6 billion? It does not make sense.

If the Government wishes to borrow money we must ask what it is borrowing it for. Is it borrowing this money in order to put ordinary Canadians to work? Is it borrowing this money so that the unemployed—now well over one million—can obtain useful employment, a decent income and make a contribution to society? The facts indicate that that is simply not the case.

The Government is actually borrowing this money in order to continue the types of tax write-offs which I have already mentioned. The Government lowers the corporate tax rate while at the same time it cuts back on funds which are allocated to employment programs. In the last Budget the Government cut a couple of hundred million dollars in terms of employment programs over the next two-year period. The significant fact is that in this time of high unemployment, the Government is cutting back on employment programs so it cannot be borrowing in order to support those programs.

● (1240)

Is the Government borrowing money to support the youth of Canada? Clearly not, Mr. Speaker. It has taken the heartless action of cutting out the Katimavik program, a program which offered a real opportunity for young people to serve in com-